

Pursuant to Article 77, Paragraph 2 of Slovenian Sovereign Holding Act (Official Gazette of the Republic of Slovenia, No. 25/14, hereinafter referred to as: "ZSDH-1", the Government of the Republic of Slovenia (hereinafter referred to as: the "Government"), in accordance with the aforementioned Article pursuing the duties of the General Meeting of Slovenska odškodninska družba, d.d., and in accordance with the provision of Article 329 of Companies Act (Official Gazette of the Republic of Slovenia, Nos. 65/09 – official consolidated text, 33/11, 91/11, 32/12, 57/12, 44/13 – Constitutional Court Judgement, and 82/13, hereinafter referred to as: ZGD-1), has hereby adopted the consolidated text of

ARTICLES OF ASSOCIATION OF SLOVENIAN SOVERIGN HOLDING d. d.

I PRELIMINARY OBSERVATION

Article 1 (one)

Pursuant to Article 77, Paragraph 1 of ZSDH-1, the Slovenian Sovereign Holding, d.d. (hereinafter referred to as: the "Company") has been formed by Slovenian Sovereign Holding taking over the powers and duties of Slovenska odškodninska družba d.d. (hereinafter referred to as: "SOD") with the entry into force of ZSDH-1. The takeover of powers and duties has been implemented by SOD by acquiring powers and duties and tasks in accordance with ZSDH-1 while maintaining all its powers, rights and duties held by SOD prior to its transformation into the Company.

II. GENERAL PROVISIONS

Article 2 (two)

The sole founder and shareholder of the Company is the Republic of Slovenia.

The Company shall operate as a public limited company with powers, duties and responsibilities stipulated by ZGD-1, ZSDH-1, Slovene Compensation Fund Act (ZSOS) (Official Gazette of the Republic of Slovenia, No. 21/11 – official consolidated text; hereinafter referred to as: "ZSOS"), other acts and these Articles of Association.

Article 3 (three)

These Articles of Association shall regulate:

- the Company's corporate name and the registered office;
- the Company's objects,
- the Company's share capital and shares,
- the Company's bodies,
- the Company's Annual Report, net profit and provisions,
- announcements and provision of information,
- confidentiality and prohibition of competition,
- the Company's legal documents,
- the Company's duration and termination,
- the transitional and final provisions.

III COMPANY'S CORPORATE NAME AND REGISTERED OFFICE

Article 4 (four)

The Company's corporate name shall read: **Slovenski državni holding, d.d.**

The abbreviated Company's name shall read: **SDH, d.d.**

The translation of the corporate name shall read: **Slovenian Sovereign Holding.**

The abbreviated translation of the corporate name shall read: **SSH.**

The Company's registered office shall be in Ljubljana.

The Company's business address shall be in Ljubljana, Mala ulica 5 (five).

The Company shall have a corporate logo and stamp containing the corporate name and the registered office. The design and the use of the corporate logo shall be determined by the Company's Management Board.

IV COMPANY'S OBJECTS

Article 5 (five)

The purpose of the Company is to provide for the concerted management of assets owned by the Company, Kapitalska družba pokojninskega in invalidskega zavarovanja, d.d. (hereinafter referred to as: "KAD"), and assets of the Republic of Slovenia in order to establish stable ownership, which shall reduce management costs and increase the long-term profitability and value of these assets with the aim of achieving economic and development goals and public interest goals.

The Company must establish a transparent capital assets management system compliant with Slovenian and international guidelines regarding best practice in the management of state-owned assets and corporate governance in general and regarding the optimization of management costs and satisfaction of statutory obligations. By means of a clear segregation of powers and duties and by pursuing measures for limiting corruption risks and other non-ethical and prohibited conduct and lobbying practices, the system must enhance the compliance of operations and traceability and accountability of the decision-making process.

The purpose of the Company in the role of the financial organization is also to provide for the settlement of liabilities due to beneficiaries under the Denationalization Act, Cooperatives Act and other regulations regulating the denationalization of assets, the settlement of liabilities under the Act Regulating the Issuing of Bonds in Compensation for Confiscated Property pursuant to the Abrogation of the Penalty of Confiscation of Property, Act on Payment of Compensation to Victims of War and Post-War Violence and Reimbursement of Investments in Public Telecommunications Network Act, and other liabilities resulting from the settlement of statutory obligations referred to in this Article.

For the realization of tasks referred to in the preceding paragraph, the Company shall issue bonds and other securities, it manages and disposes of securities and other assets acquired in accordance with the law, and carries out all other tasks in accordance with applicable regulations and these Articles of Association which enable the fulfilment of the obligations referred to in the preceding paragraph.

The Company shall be obliged to provide for a suitable yield and liquidity and to fulfil the obligations referred to in Paragraph 3 of this Article.

The Company shall carry out its activities in the manner stipulated by ZSDH-1, ZSOS and these Articles of Association.

In accordance with the provisions of the Decree on Standard Classification of Activities (Official Gazette of the Republic of Slovenia, Nos. 69/07 and 17/08), the objects of the Company have been classified under the following:

- 64.200 Activities of holding companies
- 64.990 Other financial service activities, except insurance and pension funding n.e.c.
- 68.200 Renting and operating of own or leased real estate
- 85.590 Other education n.e.c.

Without entering the activity into the Court Register of Companies, the Company may also carry out other transactions necessary for its existence and for the pursuit of objects mentioned in this Article of these Articles of Association which, however, do not mean a direct pursuit of an activity, with the exception of those transactions that are subject to statutorily stipulated special conditions and a prior consent by a responsible body or organization must be obtained for their pursuit.

V SHARE CAPITAL AND SHARES

Article 6 (six)

The share capital of the Company shall amount to EUR 260,166,917.04 (two hundred sixty million one hundred sixty-six thousand nine hundred seventeen 04/100) and is divided into 155,866 (one hundred fifty-five thousand eight hundred sixty-six) no-par value shares. The subscribed contribution of the share capital has been fully paid up.

Article 7 (seven)

Shares are ordinary shares held in the name of the Republic of Slovenia giving their holder the right to manage the Company, the right to a dividend and the right to the pay-out of the remaining value of the Company's assets in case of its liquidation.

Until the Republic of Slovenia is the Company's sole shareholder, it shall waive the right to a dividend.

Dividends are issued in a non-materialized form.

IV ASSETS FOR COVERAGE OF COMPANY'S LIABILITIES UNDER ZSOS

Article 8 (eight)

Assets for the settlement of liabilities referred to in Article 5, Paragraph 3 of these Articles of Association shall be formed as follows:

- on the basis of management and disposal of securities and other assets acquired in accordance with Articles 9, 10 and 11 of ZSOS and in accordance with other acts;

- from funds generated by the issue of other Company's securities;
- from funds acquired with borrowing activities;
- from other Company's income apart from assets acquired in the manner referred to in Article 9, the first and second indents of these Articles of Association;
- from the state budget;
- in another manner.

VII ASSETS FOR COMPANY'S OPERATION

Article 9 (nine)

Funds for the operation of the Company shall be provided as follows:

- from the budget of the Republic of Slovenia;
- from other funds of the Company's founder;
- from the category of funds generated on the basis of management and disposal of securities and other assets acquired in accordance with Articles 9, 10 and 11 of ZSOS and other acts;
- from the category of funds generated with the issue of the Company's securities and other debt instruments;
- from funds acquired from the management of capital assets held by the Republic of Slovenia and third parties in accordance with Article 27 of ZSDH-1;
- from the category of other income generated with own operations.

VIII COMPANY'S BODIES

Article 10 (ten)

The Company shall have the following bodies:

- the Management Board;
- the Supervisory Board;
- the General Meeting;
- the Economic and Social Expert Committee.

The Company's bodies are not bound by any instructions given by government authorities or third persons, and they must act independently in the pursuit of their activities, in accordance with goals determined in the strategy and other management legal documents, as stipulated by ZSDH-1.

A. Management Board

Article 11 (eleven)

The Management Board shall organize and run the work of the Company and shall have the authority and be held responsible for all management decisions taken by the Company in accordance with ZSDH-11, and for the adoption and implementation of all decisions for which other Company's bodies are not responsible for in accordance with ZSDH-1 or these Articles of Association. The Management Board shall be responsible for the legality of operations of the Company.

In accordance with Article 47, Paragraph 1 of ZSDH-1, the Management Board shall need to obtain a consent granted by the Supervisory Board for the following transactions:

- for legal transactions related to the approval of short-term loans granted to legal entities without the authority of the Bank of Slovenia for the provision of banking transactions – regardless of the nominal amount of an individual transaction;
- for legal transactions related to the issue of warranties/guarantees to third parties – regardless of the nominal value of an individual transaction;
- for legal transactions related to the obtaining or approving of loans with maturity dates of more than 365 (three hundred sixty-five) calendar days - regardless of the nominal value of an individual transaction;
- for the acquisition and disposition of capital assets exceeding EUR 5 (five) million of the audited book-keeping value in regard to the issuer's book;
- the adoption of the criteria for measuring the performance of companies with state's capital assets;
- the adoption of the proposal for the Annual Asset Management Plan;
- the adoption of the Asset Management Policy;
- the adoption of the Code of Corporate Governance for SOEs;
- for the conclusion of advisory service contracts such as contracts for legal and financial advisors, due diligence of companies and company appraisals in processes for the disposal of capital assets, with the value of contracts exceeding EUR 5,000.00 (five thousand 00/100) per contractor.

Article 12 (twelve)

The Management Board of the Company is composed of three members one of which shall be the President of the Management Board.

The Management Board shall be appointed by the Supervisory Board on the basis of an international tender or in cooperation with an international HR agency.

The term of office of the Management Board shall last for four years with the option for their re-appointment.

The income of the President and the members of the Company's Management Board shall be determined by the Company's Supervisory Board.

The violations of duties under ZSDH-1 or management legal acts shall be a severe violation of duties held by a member of the Company's Management Board. The provisions of ZGD-1 shall apply in relation to the discharge of duties of a member of the Company's Management Board.

Article 13 (thirteen)

A person fulfilling conditions stipulated in ZGD-1 and ZSDH-1 may be appointed a member of the Company's Management Board.

Article 14 (fourteen)

The Management Board shall make decisions under its authority with a simple majority of all members voting, and every member of the Management Board shall have one vote. In a case of an equal number of votes, the vote of the President of the Management Board shall be the casting vote. When the Management Board shall take decisions in the absence of the President of the Management Board and the voting score is a tie, the vote of a

member of the Management Board who has been appointed a temporary Deputy President by the President of the Management Board shall be the casting vote.

In a case of absence or inability to be present on the part of the President of the Management Board, he/she shall be substituted by a member of the Management Board so appointed by the President of the Management Board. In a case of inability to be present or absence of one member of the Management Board, he/she shall be substituted by another member of the Management Board or by an employee with special powers and duties and duly authorized by the Management Board.

The President of the Management Board shall represent the Company individually and without any limitations. Members of the Management Board shall represent the Company jointly with the President of the Management Board.

Article 15 (fifteen)

The Supervisory Board shall conclude an employment contract with a member of the Management Board in which the total income of an individual member of the Management Board shall be determined, together with other rights, obligations and responsibilities, in accordance with applicable regulations. The provisions of the law governing the income of members of supervisory bodies in companies held in majority ownership by the Republic of Slovenia and self-governing local communities shall not apply in this case.

Article 16 (sixteen)

In accordance with ZSDH-1, the Management Board shall appoint a three-member Nomination Committee composed of experts in corporate governance, human resources management and operations of supervisory boards. One member of the Nomination Committee may be employed in the Company while the other two shall be external experts. A member of the Nomination Committee shall not be a member of any body of a political party, the Management Board of the Company or the Supervisory Board of the Company and must not be employed in a company in which the Company manages capital assets.

The Nomination Committee is a consultation body of the Management Board carrying out implementing procedures related to the recruitment of candidates for the members of supervisory boards of companies with capital assets of the State, the procedures for the evaluation of these candidates and procedures for their accreditation.

The Management Board shall take decisions on the remuneration of external experts participating in the Nomination Committee. Upon a proposal by the Nomination Committee, the Management Board shall adopt the criteria, the procedure for determining the suitability of candidates and the methods of operation of the Nomination Committee.

When the Management Board of the Company proposes or appoints candidates for bodies of companies under its management who have not been proposed by the Nomination Committee, the disclosure of such decisions must be provided for, together with the conditions and criteria subject to which the proposed candidates have been more suitable than the nominated candidates. The transparency of the method for recruiting these members must also be provided for, together with the information on who has invited them to participate and how the fulfilment of criteria for the suitability of members have been determined.

B. Supervisory Board

Article 17 (seventeen)

The Supervisory Board of the Company shall oversee the implementation of legal documents on the management and operation of the Company. Within the scope of its tasks, the Supervisory Board shall particularly do the following:

- review and verify the books of account of the company and the documentation of the Company;
- approve the financial plan of the Company;
- verify the Annual Report and the proposal for the distribution of the profit for appropriation and draw a written report on the results obtained to be delivered to the General Meeting and give its view on the Auditor's Report;
- approve the Annual Report of the Company;
- submits to the General Meeting the proposal for the appointment of the Auditor;
- appoint the members of the Management Board and decide on the discharge from office of the Management Board;
- propose Resolutions to the General Meeting when this is required by the law;
- supervise the implementation of the strategy and the Annual Asset Management Plan and the operations of the Company;
- appoint the Audit Committee and Risk Committee;
- provide for the compliance of the text of the Company's Articles of Association with the applicable decisions made by the General Meeting, and
- carry out other tasks in accordance with ZSDH-1 and ZGD-1.

Article 18 (eighteen)

The President of the Supervisory Board shall convene and chair the sessions of the Supervisory Board and publish decisions made by the Supervisory Board.

The President of the Supervisory Board shall represent the Company in relation to the members of the Management Board.

A member of the Supervisory Board shall withdraw from decision-making on affairs related to him/her personally.

Article 19 (nineteen)

The Supervisory Board of the Company shall appoint the Audit Committee and the Risk Committee.

In accordance with ZGD-1, the Supervisory Board may also appoint other committees when this is necessary for the pursuit of its work.

The provisions of ZGD-1 shall fully apply to the Audit Committee.

The Risk Committee is a consultation body formulating expert opinions on the established risk management system together with proposing its improvements. Concerning the composition of the Risk Committee, the provisions of ZGD-1 shall apply *mutatis mutandis* in the part regulating the Audit Committee.

The procedure related to the operation of the Risk Committee and the Audit Committee shall be determined by the Supervisory Board for each committee separately, on the basis of proposals made by each of the committees.

Article 20 (twenty)

For the work carried out, the members of the Supervisory Board shall receive an attendance fee the amount of which shall be determined by the General Meeting. When the Supervisory Board appoints committees, the president and members of committees are eligible to receive the attendance fee the amount of which is determined by the General Meeting.

In addition to the attendance fee referred to in the preceding paragraph, the members of the Supervisory Board and the members of committees of the Supervisory Board shall have the right to receive the reimbursement of material and other costs in connection with their participation at sessions.

Article 21 (twenty-one)

The Supervisory Board shall regulate in detail the method of its work and the conditions of work by virtue of Rules.

C General Meeting

Article 22 (twenty-two)

The General Meeting shall make decisions on fundamental affairs of the Company defined in ZGD-1 and ZSDH-1, on the issue of new shares and on formally dealing with them in legal transactions, and adopt criteria for measuring the performance of companies with capital assets of the State.

Article 23 (twenty-three)

The General Meeting shall be convened and implemented in accordance with applicable regulations.

D. Economic and Social Expert Committee

Article 24 (twenty-four)

The Economic and Social Expert Committee (ESEC) shall be a consultation body of the Management Board of the Company providing opinions and initiatives related to economic and social affairs.

At its sessions, ESEC shall receive opinions and initiatives in relation to affairs that have led or might lead to consequences related to the labour law, to Articles of Associations and to social status regarding employees of the Company or regarding companies managed by the Company.

The sessions of ESEC shall be convened by the President of ESEC who shall be elected from among members themselves. The sessions shall be convened when the need arises and that shall be decided by the President of ESEC himself/herself, upon a proposal of at

least two members of ESEC or upon a proposal by the Management Board; the President of ESEC shall, however, be obliged to convene the session of ESEC at least twice a year.

At the session of ESEC, the Management Board of the Company shall report in particular on the following:

- the management of shareholding in companies managed by the Company;
- the plan for the disposal of capital assets referred to in the preceding indent;
- the HR and business plan and other general legal documents of the Company referring to the management and disposition of companies referred to in the first indent of this paragraph with which decisions in regard to the status of employees in terms of the labour law have been made; and
- all other affairs in relation to economic and social affairs for which the Management Board and ESEC believe that their discussion at ESSO session is necessary.

The Management Board of the Company shall not be bound to observe standpoints, decisions or initiatives by ESEC, however, it shall be obliged to explain to ESEC its conduct and standpoints in cases which deviate from standpoints, decisions or initiatives by ESEC.

ESEC shall have the right to inform the public on its standpoints when these do not disclose any potential confidential pieces of information of the Company or companies managed by the Company, specifically, by means of joint press releases which have been agreed upon with the Management Board of the Company. After each session of ESEC, the President of ESEC and the Management Board of the Company shall agree on the press release.

Prior to commencing with the performance of their duties, all members of ESEC must sign a Confidentiality Statement on protecting confidential information of the Company.

The work of ESEC shall be regulated in detail by the Rules which shall be approved by the Management Board of the Company upon a proposal given by ESEC.

IX COMPANY'S ANNUAL REPORT, NET PROFIT AND PROVISIONS

Article 25 (twenty-five)

The Company shall keep books of accounts in accordance with International Financial Reporting Standards as stipulated by the Commission Regulation No 1126/2008 of 3 November 2008 (third November two thousand and eight) on adopting certain international accounting standards in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council.

The Management Board of the Company must produce the annual report within the statutorily stipulated period and submit it to the Supervisory Board together with the Audit Report and the proposal for the distribution of profit for appropriation.

The Supervisory Board must draw up a written report on results of the verification of the Annual Report produced and on the proposal for the distribution of profit for appropriation, to be submitted to the General Meeting. In the report, the method and the scope by which the Supervisory Board has supervised the management of the Company during the financial year must be stated by the Supervisory Board. In the report, the Supervisory Board must also give a view in regard to the Auditor's Report, and state its comments in regard to the Annual Report, or approve the annual report. When the Supervisory Board approves the annual report, the annual report is deemed to be accepted.

Within a period of one month after the submission of the Annual Report of the Company, the Supervisory Board must submit its report to the Management Board or the Management Board must immediately set an additional time period for the Supervisory Board which must not be longer than one month. When

the Supervisory Board fails to deliver the report within the additional time period, the Annual Report is deemed not to be approved by the Supervisory Board.

After any potential retained net loss from a previous period has been settled and any mandatory statutory reserves have been created in accordance with applicable regulations, the remaining balance of net profit for that the period shall be allocated to other profit reserves.

X. ANNOUNCEMENT AND PROVISION OF INFORMATION

Article 26 (twenty-six)

The Company shall disclose to the public such information which is important for its operations as it applies to public limited companies.

The Company shall disclose any information on asset management to the public on its web site in accordance with ZSDH-1.

The Company shall provide information to a shareholder and other interested members of the public by way of announcements in electronic form on the web site of Ljubljana Stock Exchange, d.d., in accordance with its rules and instructions, and on the Company's web site.

The Company shall also provide for announcements in the daily newspaper published within the entire territory of the Republic of Slovenia, when this is explicitly required by the law or any other general regulation.

The Management Board of the Company shall be responsible for the provision of information to the shareholder, the Supervisory Board and the public.

XI BUSINESS CONFIDENTIALITY AND PROHIBITION OF COMPETITION AND ANTI-CORRUPTION CLAUSE

Article 27 (twenty-seven)

The Company shall stipulate that all documents and data shall be deemed to be items of business confidentiality for which it is clear that significant damage might be incurred to the Company if disclosed to an unauthorised person, particularly those determined in the Company's special legal document.

Business confidentiality must be protected by all employees and members of bodies and external persons who are informed of data considered to be items of business confidentiality during the performance of their work.

Article 28 (twenty-eight)

The submission of data, which is classified as confidential, to an unauthorised person enabling any such person access to data, and any conduct which enables any unauthorised person to acquire information, together with the negligent treatment of such data is particularly considered a breach of confidentiality on the part of the person obliged to protect that confidentiality.

A person violating this provision shall also be held responsible for the damage incurred, in accordance with the rules on compensation law.

Article 29 (twenty-nine)

The members of the Management Board and the Supervisory Board and the employees of the Company must not participate as shareholders in an unlimited company, as general partners in a limited partnership, as members and managers in limited liability companies, members of the management, management board and supervisory board of a public limited company or holders of procuration in any other company or as traders pursuing activities which are or might be in a competitive relationship with the objects of the Company.

The prohibition of competition referred to in the preceding paragraph shall be defined in detail in an employee's employment contract.

XII. COMPANY'S LEGAL DOCUMENTS

Article 30 (thirty)

The Management Board shall prepare proposals and draft legal documents on management; the provisions of ZSDH-1 and these Articles of Association shall apply for their preparation, adoption and modification.

The Company shall also maintain general internal legal documents to regulate the issues related to the internal organisation, rules and standards of operation and procedures and instructions for conduct in individual segments of Company's operation.

The Articles of Association and amendments to the Articles of Association shall be adopted by the General Meeting of the Company upon the proposal by the Management Board or the Supervisory Board.

Other legal documents required by the statutory regulations and these Articles of Association shall be adopted by the Management Board when not otherwise stipulated by these Articles of Association and the Management Board shall inform the Supervisory Board about them.

XIII COMPANY'S DURATION AND WINDING-UP

Article 31 (thirty-one)

The Company has been incorporated for an indefinite time.
The Company shall be wound-up for reasons and procedures stipulated by law.

XIV. TRANSITIONAL AND FINAL PROVISIONS

Article 32 (thirty-two)

After the adoption of these Articles of Association, the President of the Supervisory Board and members of the Supervisory Board of SOD shall continue their mandate as members of the Supervisory Board of the Company. In accordance with this Article, upon the appointment of new members of the Supervisory Board of the Company, the terms of office of the members of the Supervisory Board who have been appointed as members of the Supervisory Board of SOD shall be terminated.

Article 33 (thirty-three)

After the adoption of these Articles of Association, the Management Board of SOD shall continue its mandate as the Management Board of the Company, specifically, until the appointment of the new Management Board of the Company which is to be appointed by the Supervisory Board that has been appointed in accordance with the preceding Article of these Articles of Association.

Article 34 (thirty-four)

These Articles of Association shall enter into force when registered in the Court Register of Companies.

The Articles of Association of SDH, d.d., Notarial Certificate No. SV 629/15 of 8 June 2015 (eight June two thousand fifteen) shall cease to apply as of the date of enforcement of these Articles of Association.

The official round stamp reads: Nevenka Tory, Notary, Ljubljana